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AGENDA ITEM 4

TO: MEMBERS OF THE AD HOC BOARD GOVERNANCE COMMITTEE

- I. SUBJECT:** Employer Reimbursement
- II. PROGRAM:** Administration
- III. RECOMMENDATION:** Defer to the Committee
- IV. ANALYSIS:**

In February of 2004 the Board adopted revisions to its policy for reimbursement to state, school and public agency employers of Board members. The policy was adopted to implement the provisions of Government Code section 20092 as amended effective January 1, 2004. The policy requires certification by both the employer and the Board member as to the amount of reimbursement. A copy of the Board's policy is attached.

The Committee may wish to discuss the following issues:

- Timing of Requests

Existing procedures provide that, "to the extent possible," requests should be submitted by April 1 of the year of the request. The Board may wish to add a more rigorous timing requirement.

- Report on Activities

Under prior policy, Board members who wished to exceed the 25% level were required to submit reports describing the amount of time they spent on CalPERS business. This requirement was modified in 2001 by setting "pre-determined" amounts of time that were considered "minimally necessary" for Board members to perform their duties. The existing policy has no such reporting requirement. The Committee may wish to add such a provision for transparency purposes, even though the statute does not require it.

V. STRATEGIC PLAN:

This project supports Goal II of the 2005 Strategic Plan Goals which calls for CalPERS, as an organization, to “foster an environment that values quality, respect, diversity, integrity, openness, communication and accountability.”

VI. RESULTS/COSTS:

Memorializing the Board’s employer reimbursement policy will improve the efficiency of Board operations.

PETER H. MIXON
General Counsel

